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November 13, 2001

Kirk Rodgers, Acting Regional Director Attn: Alicia Sterud, MP-400 Bureau of Reclamation Mid-Pacific Region 2800 Cottage Way Sacramento, CA 95825-1898

Re: Comments on Draft Municipal & Industrial Water Shortage Policy - Central Valley Project

Dear Mr. Rodgers:

The Bella Vista Water District is pleased to provide comments on the draft M&I Water Shortage Policy dated September 11, 2001. Such a policy is necessary given today's reality of increasing shortages. The state has added about 6 million people since the 1987-1992 drought and about 2 million acre feet of water has been diverted to environmental uses. For that reason, in addition to developing a shortage policy, the Bureau should develop new water supplies for the Central Valley Project. Otherwise, the next drought is going to cause far greater hardship on the Bureau's customers.

Absent extraordinary circumstances, CVP water supplies should not be counted against a contractor when allocating drought water supplies. Those districts who spent the effort and taxpayer dollars to improve their water supply reliability by developing other (non-project) water supplies should not be penalized.

The proposed policy limits the amount of agricultural water that can be converted to M&I water and ties the 75 % M&I reliability to the CVP projected M&I demand as of September 30, 1994. The amount shown as the year 2030 projection on Schedule A-12 of the 1996 M&I water rate book is an artificial ceiling. In our case it creates a 7,000 acre foot maximum amount of M&I water which retains the M&I shortage. A contractor with a combined M&I and Agricultural water supply contract should be allowed to convert any irrigation water to M&I water without penalty, as has historically been the case. The numbers used to limit the amount of water that can be converted without penalty was merely an estimate from many years ago and was never intended to be used for this purpose.

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The Bureau's own projections indicate that Bella Vista Water District has a need for 17,914 of M&I water by the year 2025. How are we to cope with future drought conditions when the majority of our M&I customers will be subject to reductions which could result in no water? Our contract has always provided for the conversion of agricultural water to M&I water without restriction. This policy seeks to overturn our contractual right.

Providing an artificial cap on the amount of irrigation water that can be converted and retain the M&I shortages penalizes those districts that have developed more slowly than others; namely those in the more rural areas.

While we appreciate that there is provision in the shortage policy to adjust the projected M&I demand upward, the method proposed places an unnecessary burden on contractors with dual supplies.

Sincerely,

Todd R. Sikes, President

Board of Directors

/jc